GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3654
ANSWERED ON:16.12.2005
GUIDELINES FOR FOREIGN MONEY CHANGERS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to issue new guidelines for foreign money changers ;

(b) if so, the details of guidelines issued by Central Bank in this regard ;

(c) the extent to which money laundering will be checked by these new provisions; and

(d) the time by which new changes will be effective ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a), (b) & (d): To liberalise and rationalise the scope of activities currently undertaken by the Authorized Persons handling foreign exchange transactions, the Reserve Bank of India (RBI) constituted an internal group to study the related issues and make recommendations. RBI has issued Press Release on 1st December, 2005 to invite feedback on the report of the Internal Group on `Licensing Policy` for Authorised Persons: Liberalisation` which is available on RBI website www.rbi.ora.in.

(c):To enable Authorized Money Changers (AMCs) to put in place the policy framework and systems for prevention of Money Laundering while undertaking money changing transactions, RBI has issued Anti Money Laundering guidelines for Authorized Money Changers on 2nd December, 2005 which is also available on RBI website www.rbi.org.in.